

SENATE, No. 2200

STATE OF NEW JERSEY

212th LEGISLATURE

INTRODUCED SEPTEMBER 25, 2006

Sponsored by:

Senator JOSEPH F. VITALE

District 19 (Middlesex)

Senator ELLEN KARCHER

District 12 (Mercer and Monmouth)

Co-Sponsored by:

Senator T.Kean

SYNOPSIS

“Group Home Fire Safety Act.”

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 2/6/2007)

1 AN ACT concerning the installation of fire suppression systems in
2 group homes and revising parts of the statutory law.

3
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6
7 1. (New section) This act shall be known and may be cited as
8 the "Group Home Fire Safety Act."

9
10 2. (New section) The Legislature finds and declares that:

11 a. The safety of group home residents is a vital concern to the
12 State, as these individuals are among the most vulnerable citizens of
13 New Jersey and warrant assurance by the State that their physical
14 safety will be protected while in their residences;

15 b. 13R residential automatic fire suppression systems installed in
16 buildings have been proven to be a very effective method of
17 preventing injury, death and widespread property damage; and

18 c. The installation of these systems in group homes shall be
19 deemed to be in the public interest and a public purpose.

20

21 3. (New section) As used in sections 1 through 9 of this act:

22 "Commissioner" means the Commissioner of Human Services.

23 "Common area" means the areas within a group home that are
24 normally accessible to all residents, including, but not limited to,
25 the hallways and living, dining and kitchen areas.

26 "Group home" means a community residence for the
27 developmentally disabled or mentally ill licensed pursuant to
28 P.L.1977, c.448 (C.30:11B-1 et. seq.), a community residence for
29 the terminally ill as defined in section 2 of P.L.1978, c.159
30 (C.40:55D-66.2), or a community residence licensed pursuant to
31 P.L.1977, c.448 (C.30:11B-1 et seq.) in which a person with
32 traumatic brain injury, as defined in 42 U.S.C. s.280b-1b, resides,
33 which has an approved service contract or an affiliation agreement
34 with an agency or department of this State and which is owned by a
35 nonprofit organization whose property is exempt from taxation
36 pursuant to R.S.54:4-3.6.

37

38 4. (New section) a. Notwithstanding any law, rule or regulation
39 to the contrary, all group homes shall be equipped with a 13R
40 residential automatic fire suppression system in their common areas
41 and bedrooms, in accordance with the provisions of this section.

42 b. Within 120 days after the effective date of this act, each entity
43 that is responsible for the operation of one or more group homes
44 shall file with the Commissioner of Human Services a plan
45 outlining the installation of 13R residential automatic fire

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 suppression systems in those group homes as required pursuant to
2 subsection a. of this section. Each plan shall provide that the
3 installation shall be completed within four years of the effective
4 date of this act.

5 Upon application by an entity, the commissioner may, at the
6 commissioner's discretion, extend the completion date set forth in
7 this section, upon a showing that the completion date would pose an
8 unreasonable hardship for the entity, or that performance of the
9 installation by the completion date is impossible for reasons outside
10 the control of the entity.

11
12 5. (New section) The commissioner, in consultation with the
13 Commissioner of Community Affairs, shall, pursuant to the
14 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
15 seq.), adopt such rules as may be necessary to implement the
16 provisions of this act, including rules that prioritize, at the
17 discretion of the commissioner, group homes for installation of 13R
18 residential automatic fire suppression systems. The rules may
19 include exemption from the requirements of section 4 of this act for
20 any group home that may be determined to not warrant the level of
21 protection provided in section 4 of this act based on the fire hazard
22 risk.

23
24 6. (New section) The State Treasurer, after consultation with
25 the commissioner, shall have the authority to apply State funds
26 otherwise available to State departments, agencies or
27 instrumentalities for the purpose of securing compliance with the
28 requirements established pursuant to this act.

29
30 7. (New section) a. There is created within the New Jersey
31 Housing and Mortgage Finance Agency established pursuant to
32 P.L.1983, c.530 (C.55:14K-1 et seq.), the "Group Home Safety
33 Trust Fund," hereinafter referred to as the "trust fund." The trust
34 fund shall be maintained as a separate account and administered by
35 the agency to carry out the provisions of P.L. , c. (C.)(pending
36 before the Legislature as this bill). There shall be paid into this
37 fund:

38 (1) monies received from the sale of bonds or notes issued
39 pursuant to section 9 of P.L. , c. (C.)(pending before the
40 Legislature as this bill);

41 (2) monies appropriated by the Legislature, including monies as
42 may be appropriated annually in an amount sufficient to pay the
43 principal and interest on the bonds or notes;

44 (3) all interest and investment earnings received on the monies
45 in the trust fund; and

46 (4) all repayments of loans authorized pursuant to
47 P.L. , c. (pending before the Legislature as this bill).

1 b. The trust fund shall be used to provide interest-free loans to
2 entities that are required, pursuant to P.L. , c. (pending before the
3 Legislature as this bill), to install 13R residential automatic fire
4 suppression systems in one or more group homes, for the cost, or a
5 portion of the cost, of the installation of those systems.

6
7 8. (New section) a. The State Treasurer shall establish a program
8 to provide the loans authorized pursuant to P.L. , c. (pending
9 before the Legislature as this bill). An entity that is responsible for
10 the operation of one or more group homes may apply for a loan
11 from the trust fund established pursuant to section 7 of
12 P.L. , c. (C.)(pending before the Legislature as this bill). The
13 application shall be transmitted to, and in a manner to be
14 determined by, the State Treasurer.

15 b. Individual loan amounts from the trust fund shall be limited
16 to no more than the projected costs as stated in the plan required to
17 be filed with the Commissioner of Human Services pursuant to
18 section 4 of P.L. , c. (C.)(pending before the Legislature as this
19 bill), and loan amounts shall be disbursed in accordance with the
20 need and the completion date of the installation plan. If sufficient
21 funds are not available to fully fund each request, the State
22 Treasurer may limit the amounts loaned on a basis which shall
23 provide the maximum amount of funding to the greatest number of
24 group homes, taking into consideration the prioritization of group
25 homes, as provided for in section 5 of P.L. , c. (C.)(pending
26 before the Legislature as this bill). Installation projects that were
27 begun within 12 months prior to the effective date of
28 P.L. , c. (pending before the Legislature as this bill), as well as
29 those projects initiated on or after the effective date of
30 P.L. , c. (pending before the Legislature as this bill), are eligible
31 for a loan.

32 c. The term of a loan shall be for a period of not more than 15
33 years. Any loan approved pursuant to this section shall be
34 contingent upon the applicant entering into a contract or contracts
35 for the installation of 13R residential automatic fire suppression
36 systems in accordance with section 4 of P.L. , c. (C.)(pending
37 before the Legislature as this bill).

38 d. The State Treasurer shall:

39 (1) review each application and approve, disapprove, amend or
40 modify the loan request;

41 (2) establish any other terms or conditions of each loan, which
42 are not otherwise provided under this section; and

43 (3) forward to the New Jersey Housing and Mortgage Finance
44 Agency and the Department of Human Services a copy of any loan
45 approval granted pursuant to this section, including information
46 concerning the amount and terms of the loan.

1 e. All repayments of loans awarded pursuant to this section shall
2 be made to the agency and deposited by the agency into the trust
3 fund.

4 f. The State Treasurer shall adopt such rules as are necessary to
5 effectuate this section in accordance with the "Administrative
6 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.).
7

8 9. (New section) a. The New Jersey Housing and Mortgage
9 Finance Agency shall from time to time issue bonds or notes, in
10 accordance with the provisions of P.L.1983, c.530 (C.55:14K-1 et
11 seq.), and in an amount sufficient to finance the loans provided
12 under P.L. , c. (pending before the Legislature as this bill) and the
13 administrative costs associated with the approval process and the
14 issuance of the bonds or notes, up to a total amount not to exceed
15 \$90,000,000; except that all administrative costs associated with the
16 approval process and the issuance of bonds, notes or other
17 obligations shall not be included within the total aggregate principal
18 amount of the bonds, notes or other obligations issued. The term of
19 any bond so issued shall not exceed 15 years. In computing the
20 foregoing limitation as to amount, all bonds issued for refunding
21 purposes shall be excluded, provided that the refunding results in a
22 debt service savings. The authority shall issue the bonds or notes in
23 such manner as it shall determine, except that no bonds or notes
24 shall be issued pursuant to this section without the prior written
25 consent of the State Treasurer.

26 b. Bonds or notes issued pursuant to P.L. , c. (pending before
27 the Legislature as this bill) shall not be in any way a debt or liability
28 of the State or of any political subdivision thereof, other than the
29 agency, and shall not create or constitute any indebtedness, liability
30 or obligation of the State or of any political subdivision thereof, or
31 be or constitute a pledge of the faith and credit of the State or of any
32 political subdivision thereof, but all bonds or notes, unless funded
33 or refunded by the bonds or notes of the agency, shall be payable
34 solely from revenues of funds pledged or available for their
35 payment as authorized by P.L. , c. (pending before the Legislature
36 as this bill). Each bond shall contain on its face a statement to the
37 effect that the agency is obligated to pay the principal thereof,
38 redemption premium, if any, or the interest thereon only from
39 revenue or funds of the agency and that neither the State nor any
40 political subdivision thereof is obligated to pay the principal
41 thereof, redemption premium, if any, or interest thereon and that
42 neither the faith and credit nor the taxing power of the State or of
43 any political subdivision thereof is pledged to the payment of the
44 principal of, redemption premium, if any, or the interest on the
45 bonds.

46 c. The State of New Jersey does hereby pledge to and covenant
47 and agree with the holders of any bonds or notes issued pursuant to
48 the authorization hereunder that the State shall not limit or alter the

1 rights or powers hereby vested in the agency to perform and fulfill
2 the terms of any agreement made with the holders of the bonds or
3 notes, or to fix, establish, charge and collect such rents, fees, rates,
4 payments, or other charges as may be convenient or necessary to
5 produce sufficient revenues to meet all expenses of the agency and
6 to fulfill the terms of any agreement made with the holders of the
7 bonds and notes, together with interest thereon, with interest on any
8 unpaid installments of interest, and all costs and expenses in
9 connection with any action or proceedings by or on behalf of the
10 holders, until the bonds and notes, together with interest thereon,
11 are fully met and discharged or provided for.

12 d. The State Treasurer is authorized to enter into a contract with
13 the agency pursuant to which the State Treasurer, subject to
14 available appropriations, shall pay the amount necessary to pay the
15 principal and interest on bonds, notes and other obligations of the
16 agency issued pursuant to P.L. , c. (pending before the Legislature
17 as this bill).

18 e. To assure the continued operation and solvency of the group
19 home safety trust fund program, the agency shall require that if an
20 entity that operates one or more group homes fails or is unable to
21 pay to the agency in full, when due, any obligation of the entity to
22 the agency, an amount sufficient to satisfy the deficiency shall be
23 retained by the State Treasurer from State monies that would
24 otherwise be provided to the entity by the Department of Human
25 Services or any other State department, agency or other
26 instrumentality. As used in this section, "obligation of the entity"
27 means any amount payable by the entity to the agency pursuant to
28 an agreement with the agency under P.L. , c. (pending before the
29 Legislature as this bill).

30

31 10. Section 9 of P.L.2000, c.56 (C.52:27D-198.12) is amended
32 to read as follows:

33 9. A municipal authority or water utility shall not impose
34 standby fees for any new fire protection system required to be
35 installed pursuant to the provisions of section 3 of P.L.2000, c.56
36 (C.52:27D-198.9) or section 4 of P.L. , c. (C.)(pending before the
37 Legislature as this bill).

38 (cf: P.L.2000, c.56, s.9)

39

40 11. Section 3 of P.L.1983, c.530 (C.55:14K-3) is amended to
41 read as follows:

42 3. As used in this act:

43 a. "Agency" means the New Jersey Housing and Mortgage
44 Finance Agency as consolidated by section 4 of P.L.1983, c.530
45 (C.55:14K-4), or, if that agency shall be abolished by law, the
46 person, board, body or commission succeeding to the powers and
47 duties thereof or to whom its powers and duties shall be given by
48 law.

1 b. "Boarding house" means any building, together with any
2 related structure, accessory building, any land appurtenant thereto,
3 and any part thereof, which contains two or more units of dwelling
4 space arranged or intended for single room occupancy, exclusive of
5 any such unit occupied by an owner or operator, including:

6 (1) any residential hotel or congregate living arrangement, but
7 excluding any hotel, motel or established guesthouse wherein a
8 minimum of 85% of the units of dwelling space are offered for
9 limited tenure only; (2) a residential health care facility as defined
10 in section 1 of P.L.1953, c.212 (C.30:11A-1) or licensed pursuant to
11 P.L.1971, c.136 (C.26:2H-1 et seq.); (3) any resource family home
12 as defined in section 1 of P.L.1962, c.137 (C.30:4C-26.1); (4) any
13 community residence for the developmentally disabled as defined in
14 section 2 of P.L.1977, c.448 (C.30:11B-2); (5) any dormitory
15 owned or operated on behalf of any nonprofit institution of primary,
16 secondary or higher education for the use of its students; (6) any
17 building arranged for single room occupancy wherein the units of
18 dwelling space are occupied exclusively by students enrolled in a
19 full-time course of study at an institution of higher education
20 approved by the Department of Higher Education; and (7) any
21 facility or living arrangement operated by, or under contract with,
22 any State department or agency.

23 c. "Bonds" mean any bonds, notes, bond anticipation notes,
24 debentures or other evidences of financial indebtedness issued by
25 the agency pursuant to this act

26 d. "Continuing-care retirement community" means any work or
27 undertaking, whether new construction, improvement or
28 rehabilitation, which may be financed in part or in whole by the
29 agency and which is designed to complement fully independent
30 residential units with social and health care services (usually
31 including nursing and medical services) for retirement families and
32 which is intended to provide continuing care for the term of a
33 contract in return for an entrance fee or periodic payments, or both,
34 and which may include such appurtenances and facilities as the
35 agency deems to be necessary, convenient or desirable.

36 e. "Eligible loan" means a loan, secured or unsecured, made for
37 the purpose of financing the operation, maintenance, construction,
38 acquisition, rehabilitation or improvement of property, or the
39 acquisition of a direct or indirect interest in property, located in the
40 State, which is or shall be: (1) primarily residential in character or
41 (2) used or to be used to provide services to the residents of an area
42 or project which is primarily residential in character. The agency
43 shall adopt regulations defining the term "primarily residential in
44 character," which may include single-family, multi-family and
45 congregate or other single room occupancy housing, continuing-
46 care retirement communities, mobile homes and nonhousing
47 properties and facilities which enhance the livability of the
48 residential property or area; and specifying the types of residential

1 services and facilities for which eligible loans may be made, which
2 may include, but shall not be limited to, parking facilities, streets,
3 sewers, utilities, and administrative, community, educational,
4 welfare and recreational facilities, food, laundry, health and other
5 services and commercial establishments and professional offices
6 providing supplies and services enhancing the area. The term
7 "loan" includes an obligation the return on which may vary with
8 any appreciation in value of the property or interest in property
9 financed with the proceeds of the loan, or a co-ventured instrument
10 by which an institutional lender or the agency assumes an equity
11 position in the property. Any undivided interest in an eligible loan
12 shall qualify as an eligible loan.

13 f. "Family" means two or more persons who live or expect to
14 live together as a single household in the same dwelling unit; but
15 any individual who (1) has attained retirement age as defined in
16 section 216a of the federal Social Security Act, or (2) is under a
17 disability as defined in section 223 of that act, or (3) such other
18 individuals as the agency by rule or regulation shall include, shall
19 be considered as a family for the purpose of this act; and the
20 surviving member of a family whose other members died during
21 occupancy of a housing project shall be considered as a family for
22 the purposes of permitting continued occupancy of the dwelling unit
23 occupied by such family.

24 g. "Gross aggregate family income" means the total annual
25 income of all members of a family, from whatever source derived,
26 including but not limited to, pension, annuity, retirement and social
27 security benefits; except that there may be excluded from income
28 (1) such reasonable allowances for dependents, (2) such reasonable
29 allowances for medical expenses, (3) all or any proportionate part
30 of the earnings of gainfully employed minors, or (4) such income as
31 is not received regularly, as the agency by rule or regulation may
32 determine.

33 h. "Housing project" or "project" means any work or
34 undertaking, other than a continuing-care community, whether new
35 construction, improvement, rehabilitation, or acquisition of existing
36 buildings or units which is designed for the primary purpose of
37 providing multi-family rental housing or acquisition of sites for
38 future multi-family rental housing.

39 i. "Housing sponsor" means any person, partnership, corporation
40 or association, whether organized as for profit or not for profit, to
41 which the agency has made or proposes to make a loan, either
42 directly or through an institutional lender, for a housing project.

43 j. "Institutional lender" means any bank or trust company,
44 savings bank, national banking association, savings and loan
45 association, or building and loan association maintaining an office
46 in the State, or any insurance company or any mortgage banking
47 firm or mortgage banking corporation authorized to transact
48 business in the State.

1 k. "Life safety improvement" means any addition, modification
2 or repair to a boarding house which is necessary to improve the life
3 safety of the residents of the boarding house, as certified by the
4 Department of Community Affairs, including, but not limited to, the
5 correction of a violation of the "State Uniform Construction Code
6 Act," P.L.1975, c.217 (C.52:27D-119 et seq.), the "Rooming and
7 Boarding House Act of 1979," P.L.1979, c.496 (C.55:13B-1 et
8 seq.), or the "Uniform Fire Safety Act," P.L.1983, c.383 (C.52:27D-
9 192 et seq.) and the administrative regulations promulgated in
10 accordance with these acts.

11 l. "Life safety improvement loan" means an eligible loan the
12 proceeds of which are to be used to finance, in whole or in part, the
13 construction, acquisition or rendering of life safety improvements at
14 or to boarding houses.

15 m. "Loan originator" means any bank or trust company, savings
16 bank, national banking association, savings and loan association, or
17 building and loan association maintaining an office in the State, or
18 any insurance company or any mortgage banking firm or mortgage
19 banking corporation authorized to transact business in the State, or
20 any agency or instrumentality of the United States or the State or a
21 political subdivision of the State, which is authorized to make
22 eligible loans.

23 n. "Municipality" means any city of any class or any town,
24 township, village or borough.

25 o. "Mutual housing" means a housing project operated or to be
26 operated upon completion of construction, improvement or
27 rehabilitation exclusively for the benefit of the families who are
28 entitled to occupancy by reason of ownership of stock in the
29 housing sponsor, or by reason of co-ownership of premises in a
30 horizontal property regime pursuant to P.L.1963, c.168; but the
31 agency may adopt rules and regulations permitting a reasonable
32 percentage of space in such project to be rented for residential or
33 for commercial use.

34 p. "Persons and families of low and moderate income" mean
35 persons and families, irrespective of race, creed, national origin or
36 sex, determined by the agency to require assistance on account of
37 personal or family income being not sufficient to afford adequate
38 housing. In making such determination the agency shall take into
39 account the following:

40 (1) the amount of the total income of such persons and families
41 available for housing needs, (2) the size of the family, (3) the cost
42 and condition of housing facilities available and (4) the eligibility
43 of such persons and families to compete successfully in the normal
44 housing market and to pay the amounts at which private enterprise
45 is providing sanitary, decent and safe housing. In the case of
46 projects with respect to which income limits have been established
47 by any agency of the federal government having jurisdiction
48 thereover for the purpose of defining eligibility of low and

1 moderate income families, the agency may determine that the limits
2 so established shall govern. In all other cases income limits for the
3 purpose of defining low or moderate income persons shall be
4 established by the agency in its rules and regulations.

5 q. "Project cost" means the sum total of all costs incurred in the
6 acquisition, development, construction, improvement or
7 rehabilitation of a housing project, which are approved by the
8 agency as reasonable or necessary, which costs shall include, but
9 are not necessarily limited to, (1) cost of land acquisition and any
10 buildings thereon, (2) cost of site preparation, demolition and
11 development, (3) architect, engineer, legal, agency and other fees
12 paid or payable in connection with the planning, execution and
13 financing of the project, (4) cost of necessary studies, surveys, plans
14 and permits, (5) insurance, interest, financing, tax and assessment
15 costs and other operating and carrying costs during construction, (6)
16 cost of construction, reconstruction, fixtures, and equipment related
17 to the real property, (7) cost of land improvements, (8) necessary
18 expenses in connection with initial occupancy of the project, (9) a
19 reasonable profit or fee to the builder and developer, (10) an
20 allowance established by the agency for working capital and
21 contingency reserves, and reserves for any operating deficits, (11)
22 costs of guarantees, insurance or other additional financial security
23 for the project and (12) the cost of such other items, including
24 tenant relocation, as the agency shall determine to be reasonable
25 and necessary for the development of the project, less any and all
26 net rents and other net revenues received from the operation of the
27 real and personal property on the project site during construction,
28 improvement or rehabilitation.

29 All costs shall be subject to approval and audit by the agency.
30 The agency may adopt rules and regulations specifying in detail the
31 types and categories of cost which shall be allowable if actually
32 incurred in the development, acquisition, construction,
33 improvement or rehabilitation of a housing project.

34 r. "Retirement family" means one or more persons related by
35 blood, marriage or adoption who live or expect to live together as a
36 single household in the same dwelling unit, provided that at least
37 one of the persons is an individual who (1) has attained retirement
38 age as defined in section 216a of the Federal Social Security Act, or
39 (2) is under a disability as defined in section 223 of that act, or (3)
40 such individuals as the agency by rule or regulation shall include;
41 and provided further, that the surviving member of a retirement
42 family whose other members died during occupancy of a
43 continuing-care retirement community shall be considered as a
44 retirement family for purposes of permitting continued occupancy
45 of the dwelling unit occupied by such retirement family.

46 s. "Group home" means a community residence for the
47 developmentally disabled or mentally ill licensed pursuant to
48 P.L.1977, c.448 (C.30:11B-1 et. seq.), a community residence for

1 the terminally ill as defined in section 2 of P.L.1978, c.159
2 (C.40:55D-66.2, or a community residence licensed pursuant to
3 P.L.1977, c.448 (C.30:11B-1 et seq.) in which a person with
4 traumatic brain injury, as defined in 42 U.S.C. s.280b-1b, resides,
5 which has an approved service contract or an affiliation agreement
6 with an agency or department of this State and which is owned by a
7 nonprofit organization whose property is exempt from taxation
8 pursuant to R.S.54:4-3.6.

9 (cf: P.L.2004, c.130, s.124)

10
11 12. Section 5 of P.L.1983, c.530 (C.55:14K-5) is amended to
12 read as follows:

13 5. In order to carry out the purposes and provisions of this act,
14 the agency, in addition to any powers granted to it elsewhere in this
15 act, shall have the following powers:

16 a. To adopt bylaws for the regulation of its affairs and the
17 conduct of its business; to adopt an official seal and alter the same
18 at pleasure; to maintain an office at such place or places within the
19 State as it may designate; to sue and be sued in its own name;

20 b. To conduct examinations and hearings and to hear testimony
21 and take proof, under oath or affirmation, at public or private
22 hearings, on any matter material for its information and necessary
23 to carry out the provisions of this act;

24 c. To issue subpoenas requiring the attendance of witnesses and
25 the production of books and papers pertinent to any hearing before
26 the agency, or before one or more of the members of the agency
27 appointed by it to conduct a hearing;

28 d. To apply to any court, having territorial jurisdiction of the
29 offense, to have punished for contempt any witness who refuses to
30 obey a subpoena, or who refuses to be sworn or affirmed to testify,
31 or who is guilty of any contempt after summons to appear;

32 e. To acquire by purchase, gift, foreclosure or condemnation any
33 real or personal property, or any interest therein, to enter into any
34 lease of property and to hold, sell, assign, lease, encumber,
35 mortgage or otherwise dispose of any real or personal property, or
36 any interest therein, or mortgage lien interest owned by it or under
37 its control, custody or in its possession and release or relinquish any
38 right, title, claim, lien, interest, easement or demand however
39 acquired, including any equity or right of redemption, in property
40 foreclosed by it and to do any of the foregoing by public or private
41 sale, with or without public bidding, notwithstanding the provisions
42 of any other law;

43 f. To acquire, hold, use and dispose of its income revenues,
44 funds and moneys;

45 g. To adopt rules and regulations expressly authorized by this
46 act and such additional rules and regulations as shall be necessary
47 or desirable to carry out the purposes of this act. The agency shall
48 adopt regulations which provide for consultation with housing

1 sponsors regarding the formulation of agency rules and regulations
2 governing the operation of housing projects and which require the
3 agency to consult with the affected housing sponsor prior to taking
4 any and all specific proposed agency actions relating to the
5 sponsor's housing project. The agency shall publish all rules and
6 regulations and file them with the Secretary of State;

7 h. To borrow money or secure credit on a temporary, short-term,
8 interim or long-term basis, and to issue negotiable bonds and to
9 secure the payment thereof and to provide for the rights of the
10 holders thereof;

11 i. To make and enter into and enforce all contracts and
12 agreements necessary, convenient or desirable to the performance
13 of its duties and the execution of its powers under this act, including
14 contracts or agreements with qualified financial institutions for the
15 servicing and processing of eligible loans owned by the agency;

16 j. To appoint and employ an executive director, who shall be the
17 chief executive officer of the agency, and additional officers, who
18 need not be members of the agency as the agency deems advisable,
19 and to employ architects, engineers, attorneys, accountants,
20 construction and financial experts and other employees and agents
21 as may be necessary in its judgment and to determine their
22 qualifications, terms of office, duties and compensation; and to
23 promote and discharge such officers, employees and agents, all
24 without regard to the provisions of Title 11 of the Revised Statutes,
25 Civil Service;

26 k. To contract for and to receive and accept any gifts, grants,
27 loans or contributions from any source, of money, property, labor or
28 other things of value, to be held, used and applied to carry out the
29 purposes of this act subject to the conditions upon which the grants
30 and contributions may be made, including, but not limited to, gifts
31 or grants from any department or agency of the United States or the
32 State for payment of rent supplements to eligible families or for the
33 payment in whole or in part of the interest expense for a housing
34 project or for any other purpose consistent with this act;

35 l. To enter into agreements to pay annual sums in lieu of taxes to
36 any political subdivision of the State with respect to any real
37 property owned or operated directly by the agency;

38 m. To procure insurance against any loss in connection with its
39 operations, property and other assets (including eligible loans) in
40 the amounts and from the insurers it deems desirable;

41 n. To the extent permitted under its contract with the holders of
42 bonds of the agency, to consent to any modification with respect to
43 rate of interest, time and payment of any installment of principal or
44 interest, security or any other terms of any loan to an institutional
45 lender, eligible loan, loan commitment, contract or agreement of
46 any kind to which the agency is a party;

47 o. To the extent permitted under its contract with the holders of
48 bonds of the agency, to enter into contracts with any housing

1 sponsor containing provisions enabling the housing sponsor to
2 reduce the rental or carrying charges to persons unable to pay the
3 regular schedule of charges where, by reason of other income or
4 payment from the agency, any department or agency of the United
5 States or the State, these reductions can be made without
6 jeopardizing the economic stability of the housing project;

7 p. To make and collect the fees and charges it determines are
8 reasonable;

9 q. To the extent permitted under its contract with the holders of
10 bonds of the agency, to invest and reinvest any moneys of the
11 agency not required for immediate use, including proceeds from the
12 sale of any obligations of the agency, in obligations, securities or
13 other investments as the agency deems prudent. All functions,
14 powers and duties relating to the investment or reinvestment of
15 these funds, including the purchase, sale or exchange of any
16 investments or securities may, upon the request of the agency, be
17 exercised and performed by the Director of the Division of
18 Investment in the Department of the Treasury, in accordance with
19 written directions of the agency signed by an authorized officer,
20 without regard to any other law relating to investments by the
21 Director of the Division of Investment;

22 r. To provide, contract or arrange for, where, by reason of the
23 financing arrangement, review of the application and proposed
24 construction of a project is required by or in behalf of any
25 department or agency of the United States, consolidated processing
26 of the application or supervision or, in the alternative, to delegate
27 the processing in whole or in part to any such department or
28 agency;

29 s. To make eligible loans, and to participate with any
30 department, agency or authority of the United States or of any state
31 thereof, this State, a municipality, or any banking institution,
32 foundation, labor union, insurance company, trustee or fiduciary in
33 an eligible loan, secured by a single participating mortgage, by
34 separate mortgages or by other security agreements, the interest of
35 each having equal priority as to lien in proportion to the amount of
36 the loan so secured, but which need not be equal as to interest rate,
37 time or rate of amortization or otherwise, and to undertake
38 commitments to make such loans;

39 t. To assess from time to time the housing needs of any
40 municipality which is experiencing housing shortages as a result of
41 the authorization of casino gaming and to address those needs when
42 planning its programs;

43 u. To sell any eligible loan made by the agency or any loan to an
44 institutional lender owned by the agency, at public or private sale,
45 with or without bidding, either singly or in groups, or in shares of
46 loans or shares of groups of loans, issue securities, certificates or
47 other evidence of ownership secured by such loans or groups of
48 loans, sell the same to investors, arrange for the marketing of the

1 same; and to deposit and invest the funds derived from such sales in
2 any manner authorized by this act;

3 v. To make commitments to purchase, and to purchase, service
4 and sell, eligible loans, pools of loans or securities based on loans,
5 insured or issued by any department or agency of the United States,
6 and to make loans directly upon the security of any such loan, pools
7 of loans or securities;

8 w. To provide such advisory consultation, training and
9 educational services as will assist in the planning, construction,
10 rehabilitation and operation of housing including but not limited to
11 assistance in community development and organization, home
12 management and advisory services for residents and to encourage
13 community organizations and local governments to assist in
14 developing housing;

15 x. To encourage research in and demonstration projects to
16 develop new and better techniques and methods for increasing the
17 supply, types and financing of housing and housing projects in the
18 State and to engage in these research and demonstration projects
19 and to receive and accept contributions, grants or aid, from any
20 source, public or private, including but not limited to the United
21 States and the State, for carrying out this purpose;

22 y. To provide to housing sponsors, through eligible loans or
23 otherwise, financing, refinancing or financial assistance for fully
24 completed, as well as partially completed, projects which may or
25 may not be occupied, if the projects meet all the requirements of
26 this act, except that, prior to the making of the mortgage loans by
27 the agency, said projects need not have complied with sections
28 7a.(9) and 42 of this act;

29 z. To encourage and stimulate cooperatives and other forms of
30 housing with tenant participation;

31 aa. To promote innovative programs for home ownership,
32 including but not limited to lease-purchase programs, employer-
33 sponsored housing programs, and tenant cooperatives;

34 bb. To set aside and designate, out of the funds that are or may
35 become available to it for the purpose of financing housing in this
36 State pursuant to the terms of this act, certain sums or proportions
37 thereof to be used for the financing of housing and home-ownership
38 opportunities, including specifically lease-purchase arrangements,
39 provided by employers to their employees through nonprofit or
40 limited-dividend corporations or associations created by employers
41 for that purpose; and to establish priority in funding, offer bonus
42 fund allocations, and institute other incentives to encourage such
43 employer-sponsored housing and home-ownership opportunities;

44 cc. Subject to any agreement with bondholders, to collect,
45 enforce the collection of, and foreclose on any property or collateral
46 securing its eligible loan or loans to institutional lenders and
47 acquire or take possession of such property or collateral and sell the
48 same at public or private sale, with or without bidding, and

1 otherwise deal with such collateral as may be necessary to protect
2 the interests of the agency therein;
3 dd. To administer and to enter into agreements to administer
4 programs of the federal government or any other entity which are in
5 furtherance of the purposes of this act;
6 ee. To do and perform any acts and things authorized by this act
7 under, through, or by means of its officers, agents or employees or
8 by contract with any person, firm or corporation; **[and]**
9 ff. To do any acts and things necessary or convenient to carry
10 out the powers expressly granted in this act; and
11 gg. To issue bonds and notes and other obligations of the agency
12 under the direction of law for the purpose of providing financial
13 assistance for the installation of 13R residential automatic fire
14 suppression systems in group homes.
15 (cf: P.L.1983, c.530, s.5)

16
17 13. This act shall take effect immediately.
18
19

20 STATEMENT
21

22 This bill, which is designated the "Group Home Fire Safety Act,"
23 requires the installation of 13R residential automatic fire
24 suppression systems in the common areas (including, but not
25 limited to, the hallways and living, dining and kitchen areas) and
26 bedrooms of all group homes in this State.

27 The bill defines "group home" to mean a licensed community
28 residence for the developmentally disabled or mentally ill,
29 community residence for the terminally ill, or community residence
30 in which a person with traumatic brain injury resides, which has an
31 approved service contract or an affiliation agreement with a State
32 agency or department and which is owned by a nonprofit
33 organization whose property is tax-exempt. The bill defines
34 traumatic brain injury as in federal law, 42 U.S.C. s.280b-1b, which
35 includes an acquired injury to the brain.

36 Specifically, the bill provides that, within 120 days after its
37 effective date, each entity that is responsible for the operation of
38 one or more group homes is to file with the Commissioner of
39 Human Services a plan outlining the installation of 13R residential
40 automatic fire suppression systems in those group homes as
41 required under this bill. Each plan is to provide that the installation
42 shall be completed within four years of the bill's effective date.

43 The bill stipulates that, upon application by an entity, the
44 commissioner may, at the commissioner's discretion, extend the
45 completion date, upon a showing that it would pose an unreasonable
46 hardship for the entity, or that performance of the installation by the
47 completion date is impossible for reasons outside the control of the
48 entity.

1 The Commissioner of Human Services, in consultation with the
2 Commissioner of Community Affairs, is to adopt rules (pursuant to
3 the "Administrative Procedure Act") as necessary to implement the
4 provisions of the bill, including rules that prioritize, at the
5 discretion of the Commissioner of Human Services, group homes
6 for installation of 13R residential automatic fire suppression
7 systems. The rules also may include exemption from the
8 requirements of the bill for any group home that may be determined
9 to not warrant the level of protection provided in this bill based on
10 the fire hazard risk.

11 The bill provides the State Treasurer with the authority, after
12 consultation with the Commissioner of Human Services, to apply
13 State funds otherwise available to State departments, agencies or
14 instrumentalities for the purpose of securing compliance with the
15 requirements established pursuant to this bill.

16 The bill establishes the "Group Home Safety Trust Fund" within
17 the New Jersey Housing and Mortgage Finance Agency
18 (NJHMFA). The fund will be the repository of bond proceeds from
19 the sale of bonds by the NJHMFA, which are authorized to be
20 issued in an amount not to exceed \$90 million. The trust fund is to
21 be used to provide interest-free loans to the entities that operate
22 group homes and are required to install the fire suppression
23 systems, for the cost, or a portion of the cost, of the installation of
24 those systems.

25 The State Treasurer is required to establish a program to provide
26 the loans. An entity that operates one or more group homes may
27 apply for a loan from the trust fund. If sufficient funds are not
28 available to fully fund each loan request, the State Treasurer may
29 limit the amounts loaned on a basis which would provide the
30 maximum amount of funding to the greatest number of group
31 homes, taking into consideration the commissioner's prioritization
32 of groups homes. The term of the loans will be for a period of not
33 more than 15 years. Any loan approved is to be contingent upon the
34 applicant entering into a contract or contracts for the installation of
35 13R residential automatic fire suppression systems under a plan as
36 required in section 4 of the bill.

37 Finally, the bill amends N.J.S.A.52:27D-198.12 to prohibit a
38 municipal authority or water utility from imposing standby fees for
39 any new fire protection system required to be installed pursuant to
40 this bill, thereby providing for charges only for the costs of services
41 actually used.